GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2158
ANSWERED ON:06.05.2016
Effect of Devaluation of Yuan
Mohan Shri P. C.

Will the Minister of FINANCE be pleased to state:

(a) whether the recent devaluation of Yuan has affected India"s exports and manufacturing industry, if so, the steps taken by the Government to protect Indian manufacturing sector and boost the export sector;

(b) whether the Government objects to the International Monetary Fund for including Yuan in the basket of currencies which determines Special Drawing Rights of IMF;

(c) (c) whether the Government has received any report or complaints from Indian industries including steel and tyre industries regarding dumping by China; and

(d) (d) if so, the steps taken by the Government to protect the domestic industries?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI JAYANT SINHA)

(a) The decline in India's exports since late 2014 as in many other countries is due to many factors like slowdown in the global economy, a sharp fall in global commodity prices, the rebalancing and slowdown in China, the relative movements in exchange rate of the currencies of competitors and the inflation differentials. There is no direct impact of devaluation of Chinese Yuan on India's merchandise exports and manufacturing industry. Infact, the Indian rupee depreciated by 6.6 per cent against the US dollar while the Chinese yuan depreciated by 2.9 per cent against the US dollar in 2015-16. The Government has initiated a number of policy measures to boost exports and promote domestic manufacturing output. The new Foreign Trade Policy (FTP) 2015-20 announced on April 1, 2015 focuses on improving 'Ease of Doing Business' and Trade Facilitation. It complements the other key initiatives of the Government like 'Make in India', 'Digital India' and 'Skills India' through a framework that harmonises incentive structure for exports, promotes domestic value addition and trade facilitation with enhanced ease of doing business.
(b) No Sir.
(c) & (d) Yes Sir, the Government has received a number of complaints from time to time from the domestic industry including steel and tyre sectors regarding dumping by China. On the basis of petitions filed by the domestic industry, Directorate General of Anti-Dumping & Allied Duties (DGAD) has recently initiated investigations on imports of steel and tyres from China and some other countries, the details of which are given below:

S. No.	Investigation Type	Product	Countries involved	Date of Initiation
1.	Anti-dumping	Cold rolled/cold reduced flat steel products of iron or non-alloy steel, or other alloy steel, of all widths and thickness, not clad, plated or coated",	China PR, Japan, Korea RP and Ukraine	19.4.2016
2.	Anti-dumping	Hot-rolled flat products of alloy or non-alloy steel in coils of a width upto 2100mm and thickness upto 25mm and Hot-rolled flat products of alloy or non-alloy steel not in coils commonly known as sheets and plates of a width upto 4950mm and thickness upto 150mm	China PR, Japan, Russia, Korea RP, Brazil and Indonesia	11.4.2016
3.	Circumvention of anti-dumping duty	Cold rolled flat products of Stainless Steel	China PR, Korea, European Union, South Africa, Taiwan, Thailand and USA	19.2.2016
4.	Countervailing duty investigation	Hot Rolled and Cold Rolled Stainless Steel Flat Products	China PR	12.4.2016
5.	Anti-dumping	New/unused pneumatic radial tyres with or without tubes and/or flap of rubber (including tubeless tires) having nominal rim dia code above 16" used in buses and lorries/trucks	China PR	3.5.2016

Safeguard duty @20% has been imposed on HR coils for a period of two and a half years w.e.f 14.09.2015. The domestic Indian industry has also been advised to file safeguard application along with supporting data, so as to enable the Directorate General of Safeguards in determining the existence of serious injury or threat of serious injury to the domestic industry caused by increased imports.